

Message Text

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PAGE 01 CAIRO 09229 021652Z
ACTION NEA-10

INFO OCT-01 ISO-00 PM-04 AID-05 SS-15 H-01 L-03 EB-07
OES-07 ERDA-05 NRC-05 NSC-05 CIAE-00 INR-07
NSAE-00 ACDA-07 COME-00 /082 W
-----030042Z 039071 /64

R 021421Z JUN 77
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 5709
INFO AMEMBASSY TEL AVIV

C O N F I D E N T I A L CAIRO 9229

E.O. 11652: GDS
TAGS: ENRG EG US
SUBJ: U.S. /EGYPTIAN NUCLEAR COOPERATION AGREEMENT

REF: CAIRO 9050

1. WESTINGHOUSE NEGOTIATORS CALLED ON US JUNE 1 TO PROVIDE STATUS REPORT ON NEGOTIATIONS WITH GOE FOR COMPLETION OF NUCLEAR POWER STATION (TURNKEY) CONTRACT. ACCORDING WESTINGHOUSE, CONTRACT WILL BE READY TO SIGN IN TWO TO THREE WEEKS. WITH COOPERATION AGREEMENT STILL PENDING, HOWEVER, IT IS NOT POSSIBLE FOR CONTRACT TO BE SIGNED. HENCE, WESTINGHOUSE PLANS TO PREPARE "MEMORANDUM OF UNDERSTANDING" TO BE SIGNED BY GOE WHICH (A) COULD ACKNOWLEDGE "FINAL" STATUS OF CONTRACT AND (B) PROVIDE FOR SIX -MONTH VALIDITY OF CONTRACT PRICES. PRICE STRUCTURE WOULD BE REVIEWED AT END OF SIX MONTHS.

2. NEGOTIATIONS ASKED ABOUT STATUS OF U.S. /GOE AGREEMENT, NOTING THAT DEPPRIMIN AND MINISTER OF ELECTRICITY AND ENERGY SULTAN IS ANXIOUS TO COMPLETE CONTRACT WITH WESTINGHOUSE IN BELIEF THAT THIS WILL BE ADDITIONAL LEVER FOR USE IN CONVINCING USG THAT COOPERATION AGREEMENT WITH EGYPT SHOULD BE APPROVED WITHOUT FURTHER DELAY. WITH SINGED CONTRACT, SULTAN WOULD ATTEMPT TO INVOLVE HIGH POLITICAL ELEMENTS OF GOE IN CONVINCING US OF
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PAGE 02 CAIRO 09229 021652Z

NEED TO CONCLUDE AGREEMENT WITH EGYPT. EMBOFF NOTED THAT THERE IS AS YET NO INDICATION THAT SITUATION RE COOPERATION AGREEMENT FOR EGYPT OR ISRAEL IS LIKELY TO MOVE RAPIDLY. FOLLOWING RECENT PRONOUNCEMENTS BY PRESIDENT CARTER, APPLICABILITY AND ACCEP-
TABILITY OF CURRENT AGREEMENTS ARE OBVIOUSLY BEING CAREFULLY STUDIED.

3. WESTINGHOUSE REPS STATED TIME IS OF THE ESSENCE FOR GOE. IF CONSTRUCTION OF THE NUCLEAR FACILITY IS NOT BEGUN IN NEXT TWO YEARS, PROJECTED LOAD DEMAND WILL HAVE TO BE SUPPLIED BY NEW FOSSIL FUEL CAPACITY.

4. ON QUESTION OF FINANCING, GOE CONTINUES ASSURE WESTINGHOUSE THAT USG WILL PROVIDE FINANCING FOR EQUIPMENT AND THAT ARABS WILL FINANCE REMAINING REQUIREMENTS.

5. COMMENT: WESTINGHOUSE OBSERVATION ABOUT SULTAN'S INTENTION USE COMPLETED CONTRACT AS MEANS TO RAISE THIS MATTER TO CABINET OR PRESIDENTIAL LEVEL IS DOUBTLESS TRUE. IT EMPHASIZES NEED FOR

EARLY CONSIDERATION OF REPLY TO SULTAN 'S LETTER TRANSMITTED REFTEL IN HOPES FORESTALLING SUCH POSSIBILITY.
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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Sent Date: 02-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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